

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Stanley L. Hanson,
Petitioner-Appellant,

v.

Polk County Board of Review,
Respondent.

ORDER

Docket No. 12-77-0653
Parcel No. 221/00162-601-105

On July 10, 2013, the above-captioned appeal came on for hearing before the Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2) and Iowa Administrative Code rules 701-71.21(1) et al. The Petitioner Stanley L. Hanson was self-represented and provided evidence in support of his position. Assistant County Attorney Ralph E. Marasco, Jr. represented the Polk County Board of Review. The Appeal Board, having reviewed the record, heard the testimony, and being fully advised, finds:

Findings of Fact

Stanley Hanson is the owner of a residentially classified property located at 1755 Waters Edge Drive, Pleasant Hill, Iowa. The property is a one-story, ranch-style townhouse with 1280 square-feet of living area, built in 2002. It has a full, unfinished basement. Additional improvements include a 100 square-foot deck, a 40 square-foot open porch, and a 400 square-foot attached garage. The improvements are in normal condition and have a good (3+05) quality grade. The site is 0.057 acres.

Hanson protested to the Polk County Board of Review regarding the January 1, 2012, assessment of \$164,800, allocated as \$25,500 in land value and \$139,300 in improvement value. The January 1, 2012, assessment of the subject property did not change from the prior year's assessment.

Hanson's petition to the Board of Review was based on the ground that said property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2). He asserted the subject property's correct value is \$145,000.

The Board of Review lowered Hanson's assessment, in part, to \$157,700, \$25,500 in land value and \$132,200 in improvement value.

Hanson then appealed to this Board reasserting his claim that his property is assessed for more than authorized by law under Iowa Code section 441.37(1)(a)(2). Because there was no change in the assessment from 2011 to 2012, the only ground this Board can consider on appeal is that there has been a change in value since the last reassessment. Iowa Code §§ 441.35(2), 441.37(1)(b); *Equitable Life Ins. Co. v. Bd. of Review of Des Moines*, 252 N.W.2d 449 (Iowa 1977). This is the only ground available in an "interim year," such as 2012, when the assessor has not changed the property's assessment. § 441.35(2). Because the Board of Review acquiesced by considering and finding a change in value from 2011 to 2012, we consider only this appeal ground.

Hanson purchased the property on July 1, 2011. He submitted a copy of the settlement statement with a purchase price was \$139,000.

Hanson also provided an appraisal completed by Susan M. Raye of Iowa Appraisal and Research Corporation of Des Moines, Iowa. The appraisal for subject property was \$145,000 with an effective date of June 9, 2011. Although this is before the January 1, 2012, assessment date, all of the sales Raye considered occurred prior to the assessment date. We note that two of the sales were foreclosures, although Raye states she believes they are still reflective of the marketplace. Raye also writes that the subject's "final list price [] represents a discount lower than typical for a property of this size/type in the marketing area."

Hanson testified he considered \$145,000 to be the value of the subject property on January 1, 2012. He did not, however, provide any evidence of the subject property's fair market value as of

January 1, 2011. Both the January 1, 2011, and the January 1, 2012, values must be established to succeed in a downward change in value claim. *Equitable Life Ins. Co.*, 252 N.W.2d at 450. The assessed value cannot be used for this purpose. *Id.*

The Board of Review offered no evidence in support of its position.

Based upon the foregoing, we find Hanson presented insufficient evidence to support a claim of change in value for the January 1, 2012, assessment date.

Conclusions of Law

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. This Board is an agency and the provisions of the Administrative Procedure Act apply. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review, but considers only those grounds presented to or considered by the Board of Review. §§ 441.37A(3)(a); 441.37A(1)(b). New or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available to determine market value then "other factors," such as income and/or cost, may

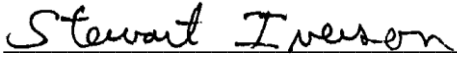
be considered. § 441.21(2). The property's assessed value shall be one hundred percent of its actual value. § 441.21(1)(a).

In a non-reassessment or "interim" year, when the property's assessment has not changed, a taxpayer may challenge its assessment on the basis that there has been a change in value from the immediately preceding assessment year. Iowa Code §§ 441.35(2), 441.37(1)(b); *Equitable Life Ins. Co. v. Bd. of Review of Des Moines*, 252 N.W.2d 449 (Iowa 1977). For a taxpayer to be successful in its claim of change in value, the taxpayer must show a change in value from one year to the next; the beginning and final valuation. *Equitable Life Ins. Co.*, 252 N.W.2d at 450. The assessed value cannot be used for this purpose. *Id.* Essentially, it is not enough for a taxpayer to prove the last regular assessment was wrong; such a showing would be sufficient only in a year of regular assessment. *Id.* at 451.

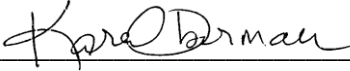
Hanson provided an appraisal from June 2011, which he believes is reflective of the subject's fair market value on January 1, 2012. However, he did not provide evidence of the subject's market value as of January 1, 2011. *Both values are required to support a claim of change in value. Id.* at 450.

The APPEAL BOARD ORDERS the January 1, 2012, assessment of Stanley L. Hanson's property located at 1755 Waters Edge Drive, Pleasant Hill, Iowa, as set by the Polk County Board of Review, is affirmed.

Dated this 30th day of July, 2013.


Stewart Iverson, Presiding Officer


Jacqueline Rypma, Board Member


Karen Oberman, Board Member

Copies to:


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Certificate of Service

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on July 30, 2013.

By: ☒ U.S. Mail ☐ FAX
☐ Hand Delivered ☐ Overnight Courier
☐ Certified Mail ☐ Other


Signature _____